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Prospects for Foreign Trade in

**WHEAT, RICE, FEED GRAINS,
DRY PEAS, DRY BEANS,
SEEDS, HOPS**

Foreign Agricultural Service
UNITED STATES DEPARTMENT OF AGRICULTURE
May 1963

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PROSPECTS FOR FOREIGN TRADE IN WHEAT, RICE, FEED GRAINS, DRY PEAS, DRY BEANS, SEEDS, HOPS

GRAIN AND GRAIN PRODUCTS

Highlights of World Grain Trade

Wheat crop increases during 1962 in Western Europe and parts of Asia, and much larger crops in North Africa, indicate a probable reduction in world wheat exports this year below the record 1,702 million bushels of 1961-62.

Durum wheat production was large and export supplies are expected to exceed normal import requirements.

Mainland China's larger wheat crop should reduce that country's import requirements to some extent; however, it is expected that imports will continue at a high level.

Total world wheat stocks are down, because of reduced supplies in the United States, and Argentina which more than offset increases in Canada and Australia.

Rice exports during 1962 fell even below the low level of the previous year. Smaller crops in Egypt, South Vietnam, and Brazil reduced export availabilities from these countries while Burma, the United States, and Italy experienced moderate export increases.

World feed grain exports in 1961-62 were 18 percent above the previous record, as a result of poor crops in Europe and continued low production in North African countries, coupled with rising demand from continued development of livestock industries in Japan and a number of other countries. The United States supplied 52.7 percent of all feed grains moved in world trade.

U. S. grain surpluses moving into world grain trade under Government programs continued to be of major importance in the high volume of trade.

World Production Trends

World grain production in 1962-63 is estimated to exceed slightly the 1961-62 crop. Increases in production of wheat and barley partially offset reductions in corn and oats. The world barley crop set a new high level; also, a near-record wheat crop was produced.

Main wheat production increases were in North America, Western Europe and Africa. Canada's production recovered to almost double the previous year's small harvest, and more than offset the U. S. reduction. The U. S. curtailment in acreage more than offset almost-record yields.

Wheat output in Europe reached a new high of 1,585 million bushels, with the greatest gain over 1961 production taking place in France. Spain,

Western Germany, Italy, and the United Kingdom also produced large crops of wheat. Indications are that the total 1962 wheat production in the Soviet Union was little larger than the 1961 harvest despite an acreage increase.

India and Pakistan report record or near-record wheat harvests and larger crops than last year's poor yield are reported in Mainland China and the Near Eastern countries.

A 39-percent larger crop is reported for Africa, with most of the increase seen in the main producing countries in North Africa. Good yields added to an expanded acreage brought Australia's production to a new high.

The upward trend in world rice production continued to a record 153.2 million metric tons, to exceed the 1961-62 level of 150.4 million. Good weather joined with increased acreage and improved cultural practices made the rise possible. Most countries reported large crops, but Pakistan and the Republic of the Philippines indicate reduced crops may necessitate rice import increases in 1963.

World feed grain production is estimated at 316 million metric tons, slightly over the 1961-62 total. The record barley crop of 3,720 million bushels more than made up for small reductions in the oats and corn crops. In Western Europe barley production rose to 1,100 million bushels, which is 300 million above the 1955-59 average. North America, the Soviet Union, Asia, and Africa also experienced substantial gains. Corn production totaled 7,310 million bushels, or 100 million bushels below the 1961-62 crop, but was still above the 1955-59 average. Moderately smaller crops in the United States, France, Italy, and the Soviet Union were largely responsible for the decline. The lowest acreage in over 80 years accounted for the reduced production in the United States, in spite of new high yields.

Grain sorghum output in the United States rose to 490 million bushels, but slightly lower yields held production down to a 1.4-percent increase, despite a 3-percent increase in acreage.

Foreign Government Control of Trade

Control of imports and exports of grain and grain products has been continued by most foreign governments with no major changes except for countries making up the European Economic Community (EEC). These grain trade controls are usually closely associated with, or basic to, producer grain support prices of the respective countries. A primary purpose is to protect or make possible the full effectiveness of the respective support prices.

New Grain Policies of the EEC

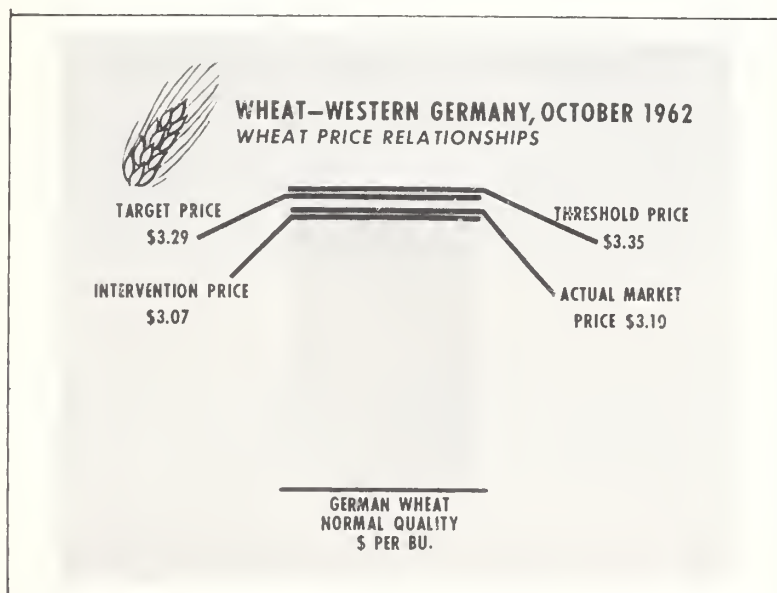
The European Economic Community presently includes France, West Germany, Belgium, Italy, the Netherlands, and Luxembourg. As a unit, these countries constitute the largest market for U. S. feed grains; in addition, the EEC is a very important dollar market for U. S. wheat. In 1961-62, U. S. grain exports to the EEC set a record level. Our wheat exports to that market equaled 1.9 million tons; feed grain exports reached 5.5 million tons. The value of these shipments was \$382 million.

An enlargement of the EEC is being considered. The United Kingdom, Ireland, Denmark and Norway have applied for full membership—Turkey, Austria, Sweden, Switzerland, Spain, and Israel are seeking associate membership. In 1961-62 the U. S. grain exports to these countries, combined with the present EEC totaled about \$700 million.

On July 30, 1962, the EEC put into operation a Common Agricultural Policy for supporting grain prices and controlling trade of wheat and feed grains. With this action, the Community entered a 7 1/2-year transition period, to end in 1970 with a uniform grain price and a single market.

The two aspects of the Common Agricultural Policy, i.e., the support of grain prices and control of trade, hinge on target prices. These target prices are established for the major grains produced in each member country, and reflect the government's price objective at the wholesale level. Government agencies are required to purchase all quantities of grain offered on the wholesale market at the intervention price which is set at 5 to 10 percent below the target price. Actual prices on the wholesale market generally range between the target price and the intervention price, depending on supply, quality, and other price factors.

Producer prices are related to the target price, and variable levies are applied to imports to equalize the price on imported grains with the target price. Hence, target prices are the core of the price structure for both domestic and imported grain. The price relationship under the Common Agricultural Policy is illustrated by the situation regarding West German wheat.

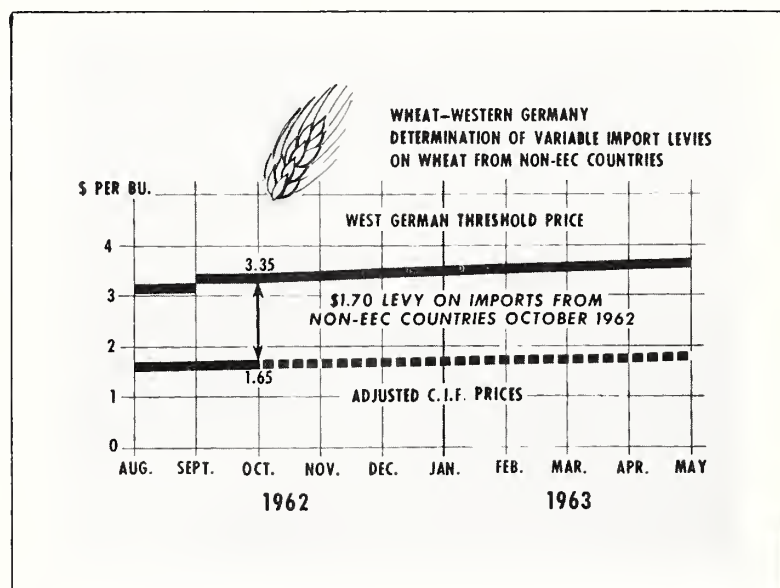


As the transition period of the Common Agricultural Policy unfolds, the all-important issue regarding unification of grain prices is to be settled. The two extremes in grain prices, those of France and West Germany, pose the largest problem in the price settlement. The French wheat target price

in the Country's main producing area was set at \$2.46 per bushel for 1962-63. In West Germany, the comparable price was \$3.05 per bushel. If the EEC adopts a uniform producer price close to the West German level, uneconomic production will be stimulated and consumption of grain retarded, with consequent adverse effects on the Community's imports.

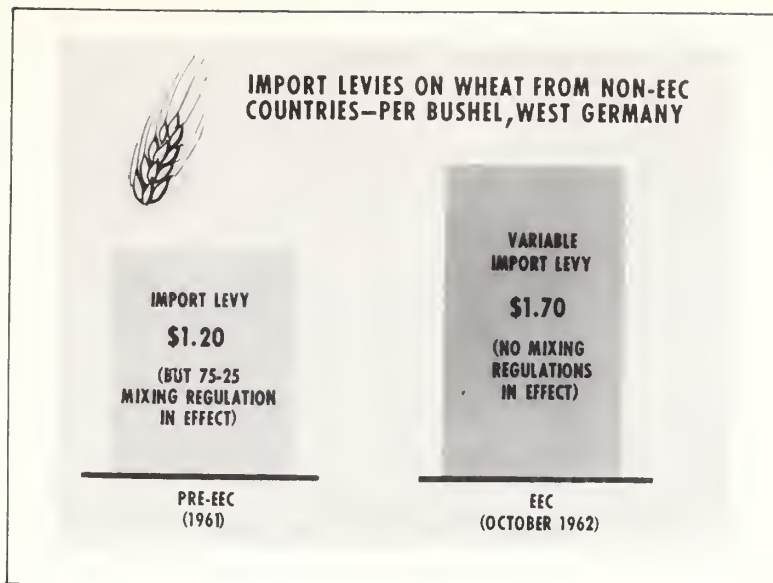
France, with the EEC's lowest grain prices, has a great potential to increase wheat and feed grain production. Some experts feel that France, given enough price stimulus, could go far in covering the grain import needs of the other EEC countries.

With respect to trade control, the Common Agricultural Policy introduced a variable levy system for imports, and rebates (subsidies) for exports. The variable import levy on imports from outside the EEC equals the difference between the world price and internal (threshold) prices in EEC member countries. Formation of the levy on West German wheat imports is an example. Levies on intra-Community trade equal the difference between internal prices in the member countries.



Quantitative restrictions, except for several temporary exceptions, were removed simultaneously with the introduction of the import levies. However, the new level of protection against EEC imports is generally higher under the levy system. For example, the levy on West German wheat imports has increased sharply.

In summary, our grain trade prospects in the EEC depend strongly on the price level adopted by the Community. The first move toward a uniform price level is to be taken in the 1963-64 season. The adoption of a relatively low grain price level would favor continuation of a high level of wheat and feed grain exports to the area. On the other hand, if the uniform EEC price is set high the outlook will be for a decline in U. S. and other outside country exports to the area.



Wheat

World production, 1962-63

World wheat production for 1962-63 is tentatively estimated at 236 million metric tons (8.67 billion bushels). This is the second largest outturn of record, and only 1 percent below the record 1958 harvest. The current estimate for 1962-63 is 10 percent above the relatively low harvest last year.

Increases are mainly in North America, Western Europe, and Africa. The gain in North America is attributable to the good recovery in Canada's output; the current estimate there is almost double the small 1961 harvest, and more than offsets the reduced U. S. production. The smaller U. S. harvest resulted from a sharp cut in acreage, which near-record yields could not offset.

Wheat production in Western Europe is at an alltime high. Gains over 1961 harvests are general but are greatest in France, with its unprecedented outturn, in Spain, Western Germany, Italy, and the United Kingdom. The total of 1,605 million bushels exceeds the previous record of 1959 by 185 million bushels. Eastern Europe reports a moderate reduction from the high level of the past 3 years.

Conditions varied within the Soviet Union, and indications are that total output was about 5 percent larger than in 1961 with an 8 percent acreage increase.

Asia's total production was large, with record or near-record harvests in India and Pakistan, and with outturns in Mainland China and the Near East above the previous poor harvest.

In Africa a good recovery brought total wheat output 31 percent above the poor 1961 harvest. Most of the increase was in the principal producing countries of North Africa.

The recently completed harvest in the Southern Hemisphere is larger than in 1961. Most of the increase is in Australia, where expanded acreage and good yields brought production to a new high.

Table 1. — WHEAT: World production by geographical division, average 1955-59, annual 1960 to 1962

Area	Average 1955-59	1960	1961	1962 <u>1/</u>
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America	1,606	1,925	1,570	1,702
Western Europe	1,313	1,325	1,265	1,605
Eastern Europe	542	590	600	565
USSR. (Europe and Asia) . .	1,910	1,700	1,900	2,000
Asia	1,895	1,920	1,865	2,020
Africa	195	210	160	210
South America	323	235	265	265
Oceania	173	283	255	300
World total	7,955	8,185	7,880	8,670

1/ Preliminary.

World Export Prospects, 1962-63

The world wheat trade is expected to decline about 9 percent in 1962-63, with strong competition for existing markets appearing among exporting countries. The present outlook indicates that the world wheat trade will fall about 150 million bushels below the 1,734 million bushels exported during 1961-62. Particularly, exports are expected to decrease to Western Europe, parts of Asia, and North Africa, as a result of favorable crops in those areas.

The world durum wheat situation has experienced a marked change from that of tight supplies in 1961-62. Higher output in main producing countries has resulted in exportable supplies that greatly exceed total import needs.

The import requirements of Western Europe will be much smaller in 1962-63. A record 1962 wheat crop in that area is likely to reduce the market mainly to quality hard wheats and durum, needed to supplement indigenous wheat production. France, with its very large wheat surplus, is expected to supply larger quantities to members of the Common Market, and this will reduce imports from traditional sources. However, large quantities of high-quality hard wheats will continue to be needed.

Table 2. --WHEAT AND FLOUR: World exports by principal exporting areas, average 1956-60, 1960-61 and 1961-62

Origin	Average 1956-60		1960-61		1961-62 ^{1/}	
	Total	Share	Total	Share	Total	Share
	<i>Million bushels</i>	<i>Percent</i>	<i>Million bushels</i>	<i>Percent</i>	<i>Million bushels</i>	<i>Percent</i>
Major exporters:						
United States.....	450	36	662	42	718	42
Canada.....	294	23	342	22	365	21
Australia.....	96	8	183	12	230	13
Argentina.....	94	7	70	4	86	5
France.....	60	5	57	4	68	4
USSR.....	153	12	190	12	174	10
South America ^{2/}	9	1	(4/)	(5/)	(4/)	(5/)
Eastern Europe.....	8	1	11	1	13	1
Western Europe ^{3/}	61	5	49	3	69	4
Africa.....	11	1	7	(5/)	3	(5/)
Asia.....	15	1	5	(5/)	7	(5/)
Others, unspecified..	(4/)	(5/)	--	--	--	--
World total.....	1,251	100	1,576	100	1,734	100

^{1/} Preliminary. ^{2/} Excluding Argentina which is shown separately.

^{3/} Excluding France which is shown separately. ^{4/} Less than half a million bushels. ^{5/} Less than half of 1 percent.

World exports to Asia are expected to maintain a high level during 1962-63. Western Asia will have exportable surpluses for the first time in several years. Despite higher production in China and India, shipments to these destinations continue at high levels.

U. S. exports of wheat and flour, including products, are expected to decline sharply in 1962-63. The current estimate of exports is 570 million bushels, down 21 percent from the 718 million bushels shipped during 1961-62, with both commercial exports and those moved under Government programs expected to share in the trend. The principal basis for the lower estimate is the higher wheat production in important importing countries of Europe, North Africa, and Western Asia.

World and U. S. Exports, 1961-62

The world wheat and flour trade in 1961-62 amounted to 1,734 million bushels, an increase of 10 percent above the previous year. During 1960-61, world trade reached a level of 1,576 million bushels. All the major exporters, except for Russia, increased shipments in 1961-62. Exports from the United States, Canada, and Australia were higher by a total of 125 million bushels, and amounted to 718 million, 365 million, and 230 million bushels, respectively.

Table 3. — WHEAT AND FLOUR: Destination of world exports, average
1956-60, 1960-61 and 1961-62

Destination	Average 1956-60		1960-61		1961-62 <u>1/</u>	
	Total	Share	Total	Share	Total	Share
	<i>Million bushels</i>	<i>Percent</i>	<i>Million bushels</i>	<i>Percent</i>	<i>Million bushels</i>	<i>Percent</i>
North & Central						
America & Caribbean	42	3	48	3	57	3
South America	105	8	122	8	141	8
Western Europe	474	38	524	33	526	30
Eastern Europe	183	15	200	13	212	12
Africa	85	7	116	7	167	10
Asia	339	27	551	35	620	36
Oceania	11	1	9	1	9	1
Unspecified	12	1	6	(<u>2/</u>)	2	(<u>2/</u>)
World total	1,251	100	1,576	100	1,734	100

1/ Preliminary.

2/ Less than half of one percent.

Table 4. -- BREAD GRAIN: U.S. exports by area of destination,
1960-61 and 1961-62

Destination	1960-61			1961-62		
	Wheat and flour	Rye	Total	Wheat and flour	Rye	Total
	<i>Million bushels</i>	<i>Million bushels</i>	<i>1,000 m. t.</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>1,000 m. t.</i>
North & Central						
America & Caribbean	22	(<u>1/</u>)	604.1	27	(<u>1/</u>)	725.5
South America	66	--	1,793.9	94	--	2,565.5
Western Europe	146	4	4,072.5	141	7	4,026.7
Eastern Europe	55	--	1,506.1	56	--	1,527.0
Africa	71	--	1,922.5	114	(<u>1/</u>)	3,107.0
Asia	302	3	8,317.6	286	(<u>1/</u>)	7,789.2
Oceania	(<u>1/</u>)	--	1.2	(<u>1/</u>)	--	1.1
Total	662	7	18,217.9	718	7	19,742.1

1/ Less than half of a million bushels.

Shipments from Argentina and France were also higher than the previous season. This high level of exports during 1961-62 was a major factor in the substantial reduction of carry-over stocks in the United States and Canada, and stocks available for export in Australia and in Argentina.

Continued below-average or abnormally small crops in 1961 in Africa and in parts of Asia created larger import requirements and resulted in a substantial increase of world trade. Wheat import requirements were smaller in India, but remained high in Communist China. Argentina and France joined Australia and Canada as suppliers to the China Mainland market.

World exports increased to all major areas of destination except for Europe. Shipments to Europe declined from the United States, Canada, and USSR. The trade to Australia, Argentina, and France to European destinations increased, and the total shipments remained close to the previous year's level of nearly 20 million metric tons. World exports to South America, Africa, and Asia continued to increase in 1961-62.

Exports of wheat and flour from the United States reached an alltime high of 718 million bushels in 1961-62, 8 percent above the previous record of 662 million bushels exported during 1960-61. Commercial sales amounted to 227 million bushels in 1961-62, an increase of 11 percent over 1960-61; exports under Government programs were about 491 million bushels, an increase of 7 percent. U. S. exports increased to Africa and South America, maintained nearly the former level to Europe, and declined to Asia.

Developing Foreign Markets

Market promotional activities for wheat and its products are carried on by the Foreign Agricultural Service in cooperation with three organizations: Great Plains Wheat, Inc., Western Wheat Associates, U. S. A., and the Millers' National Federation. During the past year, Great Plains Wheat, Inc., established an office in Rome as headquarters for stepped-up promotional activities in Africa. Other major offices of Great Plains Wheat, Inc., are located in Rotterdam, Netherlands; Lima, Peru; and Panama City, Panama. Suboffices are also maintained in Bogota, Colombia, and Rio de Janeiro, Brazil. Home office is in Garden City, Kansas.

Western Wheat Associates opened a new office in Rangoon, Burma, in cooperation with the Burmese Flour Millers Association. Other foreign offices of Western Wheat Associates are located in Tokyo, Japan; Manila, Philippines; New Delhi, India; and Karachi, Pakistan. Western Wheat Associates' home office is in Portland, Oregon.

Implementation of the second phase of the European Economic Community (EEC), or Common Market, included ratification of a Common Agricultural Policy. During the past year, most of the market promotional activities in Europe have centered on maintaining access to this market on as favorable terms as possible. A grain trade economist has been added to the staff of the Rotterdam office to work on EEC problems. Continued staff servicing of



Secretary of Agriculture Orville L. Freeman at ceremony observing dedication of an elementary school that U.S. wheat helped to build in Pakistan.

the European market with staff technical marketing and milling specialists has served to improve understanding of U. S. grain merchandising methods and policies. Similar technical service has been rendered in Central America, South America, and Africa by Great Plains Wheat, Inc.

A major effort to expand the U. S. share of Japan's bread wheat imports which was launched jointly by Western Wheat Associates, U. S. A., Great Plains Wheat, Inc., and the Foreign Agricultural Service two years ago was continued. Important progress made included:

1. Reduction in rail freight rates from the Hard Red Winter Wheat producing area to the West Coast.
2. Establishing of a merchandising inventory of Hard Red Winter Wheat on the West Coast.
3. Announcement by the Japanese Government of its intention to shift a portion of its hard wheat purchases from Canada to the United States.
4. Beginning of large scale purchases of all types of Hard Red Winter Wheat from the United States by Japan.

Continuing "hard-sell" soft wheat promotional work is beginning to show results in Japan and the downward trend in imports of Western Soft White, White Club, and Western White appears to have been reversed.

Servicing of the new flour mills in the Philippines continued while simultaneous efforts to develop long-range promotional activities were undertaken. The organization of a baker's school is getting underway.



Members of the Brazilian Wheat Team, sponsored by Great Plains Wheat, Inc., inspect test plots of Hard Red Wheat at the Cooperative Extension Service of the South Dakota State College in Brookings.

In Pakistan, Western Wheat Associates, Inc. provided the initiative and worked out details of construction of a village school where a major part of the financing was provided by Title II, Public Law 480 wheat. The school was dedicated in October, 1962, to Orville L. Freeman, Secretary, Department of Agriculture.

School lunch programs, which have proved very effective in the Far East as a means of introducing wheat bread into diets, were begun in Brazil, Colombia, and Peru by Great Plains Wheat, and in India, Pakistan, and the Philippines by Western Wheat. Participation in the highly successful Japanese school lunch program was continued by Western Wheat.

Nutrition education programs are being continued in India, Pakistan, Brazil, Colombia, Peru, and Chile with all cooperators participating in one or more countries.

Visiting trade teams, including government officials in some cases, were sponsored by Great Plains Wheat and Western Wheat from the following countries: Southern Rhodesia, Ghana, France, Ireland, Spain, Germany, Brazil, Panama, Japan, and India. These two coöperators also participated in trade fairs in Nigeria, Spain, Indonesia, Pakistan, and India. The Millers National Federation also participated in the Indian trade fairs.

Economic surveys of selected markets were conducted, as well by the Millers' National Federation under contractual arrangements with an international organization. Information obtained will detail facts on processing facilities, trade barriers, and market potential for U. S. flour. The promotion of flour food industries by means of brochures on the noodle-macaroni, bread baking, and cracker-cookie industries was investigated by the Millers'



Vessel carries 200,000 bushels of U.S. wheat and 100,000 bags of wheat flour, first of thirty shipments to be paid for in local currency under an agreement between this country and the United Arab Republic.

National Federation under contract in the Near and Far East and in Switzerland.

French and Italian language versions of four wheat food movies were completed under contract and made available for distribution by the Millers' National Federation. Work on an Arabic language version of a school lunch film was also completed in color and black and white.

Rice

World Production, 1962-63

World rice production, excluding that of the Communist countries of Asia ^{1/}and USSR, in 1962-63 (August-July) is forecast at a record 153.2 million metric tons, compared with 150.4 million in 1961-62.

This continues the upward trend in world output. The crop is 2.8 million tons larger than the previous record of a year earlier, 3.3 million more than 2 years ago, and 22 million tons above average in the 5 years ended 1959-60.

The gain over 1961-62 is caused principally by acreage increases and by generally good weather in many countries. Improved methods also are raising the average yield per acre.

World rice acreage in 1962-1963, at 214 million acres, is 2 million above the previous record of 1961-62, and 12 million more than the 1955-59

^{1/} Mainland China, North Vietnam, and North Korea.



At Welsh National Food Exhibition, Cardiff, October 1962, demonstrator tells audience of correct and simple ways of preparing U.S. rice, advantages of using the U.S. product.



At the Munich fair, a U.S. rice representative shows German housewives approved method of rice cooking. Rice salads, main dishes, soups and desserts were displayed, and 30,000 recipe leaflets distributed.

Table 5. —RICE (rough): World production 1/ by area, average 1955-60, annual 1960-61 through 1962-63

Area	Average 1955-60	1960-61	1961-62 <u>2/</u>	1962-63 <u>2/</u>
	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>
North and Central America and Caribbean	3,137.5	3,469.9	3,541.4	3,929.3
South America	5,468.3	6,967.3	6,989.3	7,127.0
Western Europe	1,455.1	1,292.0	1,451.7	1,476.0
Eastern Europe	185.9	162.0	111.8	117.0
Africa	4,344.4	4,556.9	4,218.9	5,134.2
Asia	116,347.7	133,327.4	133,921.2	135,235.4
Oceania	133.4	144.2	163.5	172.9
Total	131,072.3	149,919.7	150,397.8	153,191.8

1/ Excluding Mainland China, North Korea, North Vietnam and USSR.

2/ Preliminary.

average. A strong demand for rice in world markets, with rising prices, probably was an important factor in increased plantings.

The principal gains are in Asia, Africa, and North America. Estimated output of exporting countries is up 5 percent, and shows moderate increases for most of the countries. Asia's chief exporters—Burma, Thailand, South Vietnam, and Cambodia—all have some rise in output. The largest gain is in Egypt, and the next largest in the United States.

Moderately larger crops are in prospect for several of the principal importers of rice, especially India, Japan, and Indonesia. However, Pakistan and the Republic of the Philippines report reduced crops and probable increases in rice imports in 1963.

World Exports, 1962

At the end of 1962, incomplete data for the year pointed to the lowest world trade in several years. The exports were below even the reduced level of 1961.

As the result of poor crops, export availabilities of several exporting countries declined. This was particularly true in Egypt, South Vietnam, and Brazil, and shipments from Thailand, although above-average, were below the high level of 1961.

This decline in world exports occurred despite moderate increases in shipments of Burma, the United States, Italy, and several other countries.

Table 6. —RICE (milled): World exports 1/ by area, average 1956-60, annual 1959 through 1961

Area	Average 1956-60	1959	1960	1961
	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>
North and Central America and Caribbean	819.8	718.5	1,003.4	859.9
United States' share	(810.7)	(705.1)	(997.0)	(835.1)
South America	148.4	110.7	124.8	316.5
Europe (Western and Eastern)	430.1	359.2	369.1	398.0
Africa	298.7	91.2	319.6	265.5
Asia	4,989.4	5,520.6	5,333.2	4,332.9
Oceania	45.8	52.0	70.1	71.1
World total	6,732.2	6,852.2	7,220.2	6,243.9
Non-Communist countries	5,339.0	4,864.0	5,603.1	5,825.2
Communist countries	1,393.2	1,988.2	1,617.1	418.7

1/ Including reexports.

U. S. Exports, 1961-62

U. S. exports in the last marketing year were maintained at the high level of the 2 preceding years. The 947,300 metric tons shipped in 1961-62 (August-July) were only slightly below the near-record exports of 950,400 the year before, and compare favorably with the record of 1,186,000 in 1956-57.

The high level of the last 3 years was caused principally by heavy shipments under Title I, P.L. 480, to Indonesia and India, and by continued expansion of sales for dollars in the African and European markets.

The most significant feature of last season's exports was the rapid rise in shipments to the countries of Africa, of which substantial amounts were commercial transactions. The 204,000 tons shipped to those destinations were 77,000 metric tons more than in 1960-61 and 135,000 ton above 1959-60.

For the first time, exports to Africa last year comprised as much as 22 percent of U. S. exports. In 1960-61, they were 14 percent; in 1957-58, only 2 percent. Comparatively little rice was shipped there prior to the earlier year. The principal destinations were Ghana, Republic of South Africa, Republic of the Congo, Liberia, and countries formerly known as French West Africa. Rice shipped under government programs was largely concentrated in the Republic of the Congo and Ghana.

The increase in exports for dollars to Europe is nearly as striking. Shipments there in 1961-62 were 21 percent of the total compared with 13

Table 7. —RICE (milled): Total U.S. exports by area of destination,
1957-58 through 1961-62

Destination	1957-58	1958-59	1959-60	1960-61	1961-62
	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>
Western Hemisphere.	267.4	219.3	228.1	64.4	64.6
Europe.	10.3	107.6	102.8	121.7	199.9
Asia	261.7	192.4	455.9	564.6	473.4
Africa	13.3	71.1	69.2	126.9	203.9
Oceania	2.4	2.3	2.9	3.1	4.3
Others <u>1/</u>	31.7	30.5	74.4	69.7	1.2
Total	586.8	623.2	933.3	950.4	947.3

1/ Foreign donations for all destinations are included in this category.

percent in 1960-61, and 1.8 percent in 1957-58. In 1961-62, about 200,000 tons were exported to Europe. Exports to that continent have increased every year, except one, since 1957-58, when they were only 10,000 tons.

U. S. Rice Export Prospects, 1962-63

Exports of rice from the United States will undoubtedly increase over those of 1961-62, and will slightly exceed one million metric tons of milled rice. This increase of about 10 percent in exports comes about partly from increased production following the rise in harvested acres from 1.6 million to just under 1.8 million. In addition, the average yields rose 271 pounds of rough rice per acre over those of last year. Some of this potential gain in supplies was offset by the fact that the carryover stocks as of August 1, 1962, were reduced 47 percent as compared to those of the preceding year. This was the lowest carryover since August 1, 1952.

The world market as a whole is likely to be more stable than in 1961-62 because of better distribution of supplies among major exporting countries. Supplies of short grain rice in the Mediterranean area will be more plentiful with a bumper crop in Egypt and some acreage gains in Italy. Asian export supplies will be up slightly with a return of South Vietnam to the export field. However, export supplies from Mainland China are not likely to be much of a factor during 1962-63, with Communist China trade commitments likely to continue to be met largely from rice purchased from third country suppliers.

The international trade in rice should generally continue to be relatively strong in 1962-63 but with less fluctuations in prices. As a whole, average prices for 1962-63 will probably fall below the average of last year. While world rice production is expected to reach a record high, consumption demands will continue to utilize the additional supplies of rice in 1962-63. There is

no indication of any trend towards a buildup of surplus world stocks of rice during the coming marketing year. At the beginning of the year, stocks of rice in major rice exporting countries were at the lowest point in almost a decade.

International tensions may be more of a factor in world rice requirements this year than in recent years. Indonesia and India will continue to be major importers. The factor of weather conditions in the first half of the marketing year will be important. The failure resulting from a monsoon in any one of several rice-deficit areas could be serious in its effects on food supply, as there are no world stocks to provide a cushion against disasters.

Cash sales for dollars will undoubtedly fall below those of last year, when the world supply situation generally favored the marketing of U. S. supplies. These commercial sales, though lower in total, will be an important factor in the U. S. market, and there may be some gain in exports to individual areas.

Sales under P.L. 480 will be up, offsetting the expected loss in cash sales, and will be responsible for the increase in total exports. Sales under Title IV of P.L. 480 will be noticeable in volume for the first time, while Title I sales for foreign currencies will be up over last year's levels.

New regulations have been drafted by the EEC and are now under consideration. It is expected that agreement may be reached by mid-summer and that rice will be placed under control by the beginning of the European rice year on October 1st. Just what compromise regulations will mean in terms of restricting U. S. trade in rice with the members of the European Community can not be foreseen at this time. To the extent that the initial regulations might tend to restrict rice imports from outside the Community, U. S. cash sales could be sharply affected.

The problem of maintaining a competitive position for U. S. rice in world markets through the operation of a payment-in-kind program can be satisfactorily met only by a continuance and an extension of trade promotion by U. S. rice interests. To open and extend new markets for U. S. quality rice will require a constant widening of promotional efforts on the part of the rice industry.

Developing Foreign Markets

The U. S. Rice Export Development Association has continued to make substantial progress during the past year in promoting the consumption of rice in a number of countries. This Association represents the entire rice industry of the United States. It is now operating in the United Kingdom, the Netherlands, Switzerland, Belgium and Luxembourg, and countries of Africa and Scandinavia. Work is planned to get underway in West Germany and in the Middle East. The project has been well received in all areas and appears to be a promising factor in developing consumer interest in rice.

FEED GRAINS

World Production, 1962-63

World feed grain production (corn, barley and oats) is estimated at 316 million metric tons, slightly above the 1961-62 total. A record barley crop accounted for the slight increase; world production of oats and corn was smaller.

In addition to those feed grains, grain sorghum production was slightly larger in the United States. Little information is available on sorghum production elsewhere.

World production of 7,310 million bushels of dried corn is 100 million bushels below the 1961-62 crop, but still sharply above average. A moderate reduction in the United States, together with smaller crops in France, Italy, and the Soviet Union account for most of the decline. Harvested acreage in the United States was the smallest in more than 80 years, but yields were at a new high.

Barley production is at an alltime record in 1962-63. The world total of 3,720 million bushels exceeds the previous record in 1960 by 160 million bushels. The largest single increase was in Western Europe, where expanded acreage and high yields combined to bring total output to 1,100 million bushels, 300 million above the 1955-59 average. Other areas with substantial gains included North America, the Soviet Union, Asia, and Africa.

This year's world production of oats, as estimated at 3,375 million bushels, reflects a continuing decline in oats acreage. An estimated total of 85.6 million acres in 1962-63 contrasts with the 1955-59 average of 118.4 million. A sharp reduction reported for the Soviet Union accounts for most of the decline from a year ago. A good increase in North America is mainly

Table 8. -- BARLEY: World production by geographical division,
average 1955-59, annual 1960 to 1962

Area	Average 1955-59	1960	1961	1962 ^{1/}
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America	675	647	515	603
Western Europe	800	993	1,000	1,100
Eastern Europe	250	307	285	265
USSR (Europe and Asia).	440	525	590	---
Asia	845	820	835	875
Africa	125	130	75	120
South America	76	65	65	65
Oceania	49	74	44	40
World total	3,260	3,560	3,410	3,720

^{1/} Preliminary.

Table 9. —OATS: World production by geographical division,
average 1955-59, annual 1960 to 1962

Area	Average 1955-59	1960	1961	1962 ^{1/}
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.	1, 708	1, 617	1, 302	1, 518
Western Europe.	935	890	860	840
Eastern Europe.	375	400	385	360
USSR (Europe and Asia). . .	845	750	610	---
Asia.	105	110	100	105
Africa	14	15	13	14
South America.	77	75	65	65
Oceania	66	98	74	73
World total.	4, 125	3, 955	3, 410	3, 375

^{1/} Preliminary

Table 10. —CORN: World production by geographical division,
average 1955-59, annual 1960 to 1962

Area	Average 1955-59	1960	1961	1962 ^{1/}
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.	3, 515	4, 206	3, 937	3, 885
Western Europe.	267	340	335	285
Eastern Europe	550	676	570	565
USSR (Europe and Asia). . .	320	300	500	---
Asia.	787	870	850	870
Africa	460	541	555	570
South America.	560	625	655	675
Oceania	6	7	8	8
World total.	6, 465	7, 565	7, 410	7, 310

^{1/} Preliminary.

the result of a return to normal conditions in Canada, after the small acreage and poor yields last year.

Grain sorghum production in the United States is estimated at 490 million bushels compared with 483 million in 1961 and an average of 338 million for the 10 previous years. Acreage for harvest was 3 percent larger than a year ago, but yields slightly smaller.

World and U. S. Export Prospects, 1962-63

World feed grain exports in 1962-63 may not attain the record level of 1961-62, however, any decline is expected to be moderate. The total will probably exceed any year's except 1961-62. Larger feed grain crops in many importing countries would be largely responsible for the expected decline in world trade. Continued expansion in livestock production in many countries, particularly in Western Europe, will only partially offset increased production of feeds.

The United States is again expected to supply slightly over half of the total world trade in feed grains. The situation is marked this year by a return to an exporter status by such countries as Morocco and Syria, as well as smaller exportable supplies in Argentina. Canada, with large increases in production of both barley and oats, will also have more in 1962-63.

Table 11. —FEED GRAINS: World exports by principal country, average 1955-59, annual 1957 to 1961

Year (beginning July 1)	United States	Canada	Australia	Argentina	Others	Total
	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>
Average: 1955-59	8,998	1,888	792	2,491	5,640	19,809
Annual:						
1957	8,448	2,155	493	2,283	6,297	19,676
1958	10,893	2,095	1,083	2,861	5,272	22,204
1959	11,593	1,396	884	3,953	5,912	23,738
1960	11,489	1,011	1,172	2,471	7,211	23,354
1961 ^{1/}	14,673	970	830	3,514	7,902	27,889

^{1/} Preliminary.

Even though exports may be lower in 1962-63, the trend towards increasing world trade in feed grains is expected to continue over the next several years. Economic development, with concurrent increased demand for livestock products, is proceeding rapidly in many countries. Feed grain production is rising as well but not keeping pace. Several countries may well follow the example of Japan in building its livestock industries on imported feed grains rather than placing too great dependence on high-cost domestic production.

World and U. S. Exports, 1961-62

World feed grain exports in 1961-62 at 27.9 million metric tons were 18 percent above the previous record shipments of 23.7 million tons set in 1959-60 and 19 percent above 1960-61 exports of 23.4 million tons.

A combination of factors was responsible for the large increase in trade. Principal among these were a late spring in Europe and continued poor crops in the normally self-sufficient North African countries which necessitated imports. An important role was also played by continued development of livestock industries in a number of countries, particularly Japan. The United States was again the major exporter, supplying 52.7 percent of all feed grains moving in world trade.

U. S. feed grain exports totaled 14.7 million metric tons—a new record—27 percent above the previous high, set in 1959-60, and 3.2 million tons over the 1960-61 level. Exports increased to all areas of the world, but increases to the European area were most significant, up 1.5 million tons.

Corn shipments accounted for the entire gain in feed grain exports, in addition offsetting declines in the other three feed grains. The total corn movement of 10.4 million tons was 48 percent over 1960-61. Also, the percentage of corn in the total went from 61 percent in 1960-61 to 71 percent in 1961-62. Larger shipments of corn went to Canada, the United Kingdom, the Netherlands, West Germany, Italy, and Japan.

Exports of barley, oats, and grain sorghums were lower than in 1960-61, reflecting smaller supplies of barley and oats and relatively more favorable corn prices.

Developing Foreign Markets

Market promotion for feed grains is carried on by the Foreign Agricultural Service in cooperation with the U. S. Feed Grains Council. This promotion program is financed by dollar contributions of the council and foreign currencies accruing from sales made under Title I of Public Law 480. The major

Table 12. —FEED GRAINS: World exports by destination,
annual 1958-61 fiscal years

Destination	1957-58	1958-59	1959-60		1960-61	
			Total	Share	Total	Share
	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>1,000 m. t.</i>	<i>Percent</i>	<i>1,000 m. t.</i>	<i>Percent</i>
North and Central America and Caribbean	2,760	1,563	1,324	5	1,520	7
South America	269	203	382	2	272	1
Western Europe	12,835	16,219	17,996	76	15,843	68
Eastern Europe	961	790	977	4	804	3
Africa	228	269	432	2	609	3
Asia	2,266	2,769	2,398	10	4,079	17
Oceania	5	3	1	(1/)	16	(1/)
Unspecified	352	388	228	1	211	1
World total	19,676	22,204	23,738	100	23,354	100

1/ Less than half of 1 percent.

Table 13.—FEED GRAINS: U.S. exports by area of destination, 1960-61 and 1961-62

Year and destination	Corn and corn products	Oats and oatmeal	Barley and malt	Grain sorghums	Total
1960-61:	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>	<u>1,000</u> <u>m. t.</u>
Western Hemisphere . . .	1,063	38	125	54	1,280
Europe	4,771	385	1,262	1,724	8,142
Africa	172	1	71	22	266
Asia	999	1	407	394	1,801
Oceania	(1/)	--	--	--	(1/)
Total	7,005	425	1,865	2,194	11,489
1961-62 <u>2/</u> :					
Western Hemisphere . . .	1,647	118	153	61	1,979
Europe	6,580	186	1,357	1,561	9,684
Africa	716	1	293	60	1,070
Asia	1,411	1	30	498	1,940
Oceania	(1/)	--	--	--	(1/)
Total	10,355	306	1,833	2,179	14,673

1/ Less than 1,000 metric tons.

2/ Preliminary, subject to revision.

offices of the U. S. Feed Grains Council are located in Rome, Italy; Tokyo, Japan, and Bogota, Colombia. Other offices are in London, England; Athens, Greece; Rotterdam, Netherlands; and Madrid, Spain. The home office is in Washington, D. C.

The major market promotion efforts are directed toward increasing utilization of feed grains. Programs to enhance this increase include:

1. Feeding demonstrations using U. S. feed grains in balanced rations.
2. Seminars on animal nutrition and feed formulation.
3. Cooperative programs with farm youth organizations on improved live-stock feeding and management.
4. Publication and distribution of information on proper feeding of farm animals.

A grain marketing specialist attached to the office in Rotterdam has aided in improving understanding of the U. S. official grain standards and the U. S. system of grain trading. He has rendered technical assistance on problems of grain quality, grain handling, storage and feed manufacturing.

Consumer education programs designed to change food habits and increase consumption of animal products have been initiated. A consumer preference

survey was conducted in Japan to determine consumer demand for yellow color in corn.

FAS and the council conducted an economic survey of African markets, result of which a Public Law 480 Title IV program was initiated for Liberia. Funds for the program will be used to improve harbor facilities, establish a feed manufacturing plant and provide credit to farmers.

Visiting teams from France, Japan, Luxembourg, Belgium, the Netherlands, and the United Kingdom were sponsored during the year. Included among the visitors were grain trade technicians, nutritionists, poultrymen, feed manufacturers, starch millers, livestock farmers, farm organization representatives, and government officials.

The cooperator participated in trade fairs in the United Kingdom, Belgium, Italy, Spain and Venezuela, and also held a very successful feed grain exhibit and conference at the Trade Center in London, for the U. K. grain trade and feed manufacturing industry. The Mobile Feed Exhibit showed U. S. feed grain standards and profitable livestock feeding at seven fairs in West Germany.

Demonstration farms are being established in Belgium and Luxembourg to demonstrate the economic possibilities of intensified livestock and poultry production. The objectives of the demonstrations are to raise farm income and to encourage a change from cereal to livestock production. This program is being carried out in cooperation with farmer organizations of Belgium and Luxembourg.

DRY EDIBLE BEANS AND PEAS

The long-time trends of decreasing bean exports from Eastern to Western Europe, decreasing pulse acreage in Western Europe, and increasing demands for U. S. supplies in the latter area, are all continuing this year. These factors, coupled with unfavorable weather for pulse production in several countries of Western Europe in 1962 have resulted in high world prices for beans and peas and an improved outlook for U. S. exports of both.

There is every reason to expect continuation of the longtime and steady uptrend of U. S. shipments to Latin America, excluding Cuba and Mexico. In the year just closed, exports of peas neared the alltime record to these countries and those of beans set a new high record.

Beans

World Production, 1962-63

Smaller bean crops in North America and Asia, coupled with short crops in Western Europe, indicate that the 1962-63 supply will be 2.4 percent below that of a year ago. The preliminary estimate for 29 reporting countries is 99.9 million bags; however, estimates are not available from Communist countries, much of Africa, and Latin America. If nonreporting areas could be included, the total output figure would be near 125 million bags.

North America: Production in 9 North and Central American countries was down 11 percent from 1961, reflecting principally the smaller output in the United States where frost reduced Midwestern crops, and in Mexico where crops were affected by drought. Canada and Central America reported sizable percentage increases, but in volume these were relatively small.

Europe: European production in 11 countries was down 3 percent to an out-turn of 15.9 million bags, compared with 16.4 million in 1961. However 7 of the reporting countries showed much sharper declines, almost totally offset by a reported 9 percent increase in Yugoslavia, largest European producer. The steady decline in bean production in the smaller countries of Western Europe is attributable to acreage shift to less risky crops and those requiring less labor.

South America: Production estimates in South America, 3 percent larger than a year ago, reflect principally the situation in Brazil, where 90 percent of the crop is produced. Argentina, Chile, and Peru show large percentage increases which, however, are relatively small in volume.

Asia: Bean production in the reporting countries of Asia in 1962 was up 9 percent to a total of 6.4 million bags compared with 5.9 million in 1961. Turkey and Japan accounted for 99 percent of total output.

World and U. S. Export Prospects, 1962-63

In view of shorter world bean supplies, international trade may be smaller than last year's but the U. S. share may be larger.

In the significant Western European importing market, bean production is about one million bags below last year's indicating the need for larger imports.

Table 14. — DRY EDIBLE BEANS: Acreage and production by area in reporting countries, average 1955-59, annual 1961 and 1962

Area	Acreage			Production		
	Average 1955-59	1961	1962	Average 1955-59	1961	1962
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 bags 1/</i>	<i>1,000 bags 1/</i>	<i>1,000 bags 1/</i>
North America...	5,155	5,964	6,034	30,300	37,281	33,218
Europe.....	3,150	3,180	3,104	14,858	16,400	15,915
Asia	582	482	518	6,178	5,854	6,365
South America...	6,158	6,778	7,415	35,601	42,797	44,385
Total	15,045	16,404	17,071	86,937	102,332	99,883

1/ Bags of 100 pounds.

At least three traditional sources of these imports appear to have lowered exportable supplies, contrasted with ample U. S. stocks. Most of the Eastern European exports will probably move to Communist areas, including Cuba.

Peas

World Production, 1962-63

Dry pea production for 1962 in the 18 reporting countries totaled 12.6 million bags. If data were available from the Communist areas, along with India and Pakistan, total world output probably would be nearly 100 million bags.

Of the year's reported increase of about 2 million bags, or 19 percent, the largest single gain occurred in the United States where 1962 output was 4.9 million bags, compared with 3.5 million in 1961, and the 1955-59 average of 4.3 million bags. Record-high yields accounted for 1962's increased output. The United States is the world's largest producer outside the Orient and the world's largest exporter.

Table 15. —DRY EDIBLE PEAS: Acreage and production by area in reporting countries, average 1955-59, annual 1961 and 1962

Area	Acreage			Production		
	Average 1955-59	1961	1962	Average 1955-59	1961	1962
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 bags 1/</i>	<i>1,000 bags 1/</i>	<i>1,000 bags 1/</i>
North America . .	357	395	378	4,326	4,122	5,520
Europe	461	313	290	6,955	4,889	5,089
Asia	41	40	37	425	525	452
South America . . .	109	131	134	758	711	800
Africa	122	169	154	543	401	770
Total	1,090	1,048	993	13,007	10,648	12,631

1/ Bags of 100 pounds.

The Netherlands, second in rank both as exporter and as producer outside the Orient, harvested a short crop in 1962, totaling 1.4 million bags. This was 23 percent below the 1961 level and 40 percent below the 1955-59 average.

Morocco, a much smaller exporter, reported a 90-percent increase in production in 1962; however, the volume gain amounted to only 370,000 bags.

Production in Canada was 9 percent below 1961 output, and 25 percent below average.

In Western Europe (excluding the Netherlands) the world's largest importing area, 1962 production was 19 percent above the 1961 low, but 20 percent below the 1955-59 average. The 1962 increase is a reflection of the previous year's low, particularly in France, rather than of a current high level of production.

World and U. S. Export Prospects, 1962-63

Of the 2 million bags of U. S. peas exported last year, almost two-thirds went to Western Europe and the rest to Latin America and Canada. The Latin American and Canadian markets have been trending upwards. Continuation of the uptrend is expected for 1963, especially in Canada, where 1962 production is 60,000 bags less than the previous year's, and 200,000 bags below the 1955-59 average.

U. S. shipments to European markets have fluctuated with European domestic output and with exports available from the Netherlands, Morocco, Belgium, and New Zealand, major U. S. competitors.

While domestic production in Western Europe is up slightly this year, it is 2 million bags below the 1955-59 average. In the Netherlands, which normally supplies nearly half of Western Europe's annual imports, production is down 25 percent from last year and nearly 50 percent from the 1955-59 average. A 1962 shortage of dry peas in Belgium virtually offsets increased availability in Morocco this year.

U. S. exports in the first 2 months of this marketing year are 11 percent higher than for the comparable period last year, and the third highest on record. The outlook for U. S. pea exports appears promising for 1963.

Developing Foreign Markets for Pulses

The major efforts last year to expand markets for U. S. beans, peas and lentils were directed toward Western Europe, the world's largest importing area; into Latin America, which takes large quantities of beans and peas; and into Israel, a small but promising buyer of beans, peas and lentils.

Early in 1962, industry cooperators and the FAS sent a team of four bean exporters to nearly all pulse-importing markets of Latin America except Cuba. They found a short crop of beans in parts of Brazil (the second in recent years) and an interest in importing U. S. beans. A similar situation existed in Venezuela and Central America,

In mid-1962, industry cooperators and FAS escorted a team of five European pulse importers through the U. S. bean, pea and lentil producing areas. The importers requested the United States to undertake market development programs in their five countries, and offered the cooperation of their respective pulse organizations in carrying out the work. The U. S. National Dry Bean Council, and three organizations in the U. S. pea and lentil industries, are working toward the necessary internal organization and raising funds to implement market development work.

In 1962, industry cooperators and FAS participated in a trade fair in Israel. Various preparations using U. S. beans and peas were distributed

to the public as were thousands of recipe brochures. Receptions were held for members of the Israeli trade and government to promote direct contacts with them.

GRASS AND LEGUME SEEDS

World Production, 1962-63

Reliable data on production and carryover stocks of grass and legume seed are not available for most countries. However, preliminary estimates indicate that global supplies for the 1962-63 marketing year will be somewhat below those of the previous year.

The most recent information on the grass and legume seed situation in some of the more important seed producing countries follows:

Canada, one of the world's leading producers of forage crop seed, experienced a below-average output in 1962. However, large carryover stocks of

Table 16.—SEEDS: U.S. exports, quantity and value, averages 1946-50 and 1951-55, and annual 1957 to 1961

Year (beginning July 1)	Grass and legume	Other field	Seed corn	Vege- table	Sugar beet	Flower	Total
QUANTITY	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
Average:	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
1946-50 . . .	21,099	8,852	1/22,605	6,962	4,728	219	59,884
1951-55 . . .	25,833	16,738	19,398	3,786	652	181	66,588
Annual:							
1957	45,927	15,846	18,592	4,996	271	214	85,846
1958	38,603	10,112	13,014	3,943	473	319	66,464
1959	46,242	11,986	21,204	4,270	846	254	84,802
1960	63,119	21,625	14,163	4,643	493	327	104,370
1961	49,379	26,408	14,251	5,468	460	335	96,301
VALUE	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
Average:	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>
1946-50 . . .	5,802	921	1/1,709	3,928	1,316	359	13,351
1951-55 . . .	6,930	658	1,553	2,775	120	420	12,456
Annual:							
1957	11,372	782	1,624	3,040	56	605	17,479
1958	9,998	749	1,697	3,230	97	650	16,421
1959	10,483	694	1,947	3,713	169	631	17,637
1960	12,750	1,198	1,503	4,244	114	728	20,537
1961	10,829	1,500	1,456	4,294	106	741	18,926

1/ 3-year average.

U.S. Bureau of the Census.

most kinds of seed insures adequate supplies for domestic consumption and export. The production of forage crop seed in Western Europe is also reported to be below average, and although very little information is available as to carryover stocks, total supplies are believed to be only slightly below normal. Overall production of forage crop seeds in the United States in 1962 is somewhat under that of the previous year. However, the 1962 production of ryegrass, bentgrass, crested wheatgrass, and Kentucky bluegrass seed was larger than that of 1961.

World requirements are expected to remain at about the 1961-62 level.

U. S. Export Prospects, 1962-63

Grass and legume seed exports from the United States in the 1962-63 marketing year are expected to total 50-55 million pounds, as compared with 49.4 million pounds exported in 1961-62. Exports during the first quarter of the current marketing year were 20 percent greater than during the corresponding period a year earlier.

In 1961-62, sixty-six countries purchased grass and legume seed from the United States. Canada was the largest customer followed by France, Japan, the United Kingdom, Italy, Mexico, and the Netherlands, in that order.

The United States has been a net importer of forage crop seeds in all but 3 of the last 18 years. In 1961-62, it imported 17.1 million pounds more seed than it exported. During the period July-September, 1962, however, imports were down 29 percent compared with these same 3 months in 1961.

Canada supplied 45 million pounds, or approximately 68 percent of the grass and legume seed imported into the United States in 1961-62 and will be an important supplier of brome grass, crested wheatgrass, and red fescue seed again this year.

Developing Foreign Markets

The major emphasis in promoting foreign markets for U. S. seeds during the past year has been on Europe and South America. Europe is our most important market for seeds, and it is taking on increasing significance in view of the Organization for Economic Cooperation and Development (OECD) Scheme and Common Market activities. South America is considered a potentially good market. This is particularly true with respect to Argentina and Uruguay. Both of these countries are placing increased emphasis on pasture and range improvement as an important part of their livestock improvement programs.

In 1962 the Foreign Agricultural Service in cooperation with the Oregon Seed Council, Washington Crop Improvement Association, and the Texas Certified Seed Producers, Inc., conducted three study tours including that of an Oregon seed team to Europe, a French seed team to the States of Oregon and Washington, and an Argentine seed team to Texas.

In May, a five-man team representing the Oregon Seed Council visited the United Kingdom, the Netherlands, West Germany and France. The team conferred with seedsmen, research workers, and government officials concerning

all phases of the seed industry, and the probable effect of the Common Market and the OECD Scheme, in each of the countries visited. Particular attention was paid to the breeding of new varieties of forage crops, trends in the production and use of forage crop seeds, and the performance of U. S. varieties as compared to those of other countries.

The group concluded that the European seed market would probably become more competitive, but that the U. S. seed industry could compete successfully in that market by providing the kind and quality of seeds that the market demands, including European varieties multiplied here for export to the country of origin.

Following the return of the Oregon team, a five-man French team was brought to Oregon and Washington. An intensive study was made of production, processing, certification, and marketing of forage seeds in those two States.

In October, four seedsmen from Argentina spent three weeks studying the seed industry in Texas. This team was brought to Texas as a follow-up to the study made in Argentina in 1961, which indicated the adaptability of several forages now commonly grown in Texas. They were much impressed with all phases of the industry from plant breeding to regrassing of brush-covered range lands. Before returning home the group outlined a program for the improvement of vast areas of rangelands in Northern and Western Argentina.

The program of providing samples of forage seeds for testing purposes has been continued in 1962. The Oregon Seed Council provided samples of a large number of forage seeds for trials in European countries, while the Texas Certified Seed Producers continued to service many requests received from Chile, Argentina, and Uruguay.

The American Seed Trade Association cooperated with FAS in providing a vegetable seed exhibit at the Venezuelan Livestock Exposition held at Valencia, Venezuela, in March 1962. According to reports, this exhibit was very well-received and has stimulated increased interest in U. S. vegetable seeds.

HOPS

World Production, 1962-63

World hops production appears to have started an upswing in 1962-63 after reaching the end of a decline which began in 1960-61. Total world production in 1962-63 is estimated at 170 million pounds. This quantity is 20 million pounds or 13 percent, larger than the 1961-62 crop of 150 million pounds. It still is 4 percent smaller than the 1960-61 production of 177 million pounds and 5 percent below the 1959-60 record of 180 million pounds. It is, however, 15 million pounds, or 10 percent, above the 1955-59 average.

The largest of these increases occurred in the United States and the United Kingdom, with 8.5 million and 7.1 million pounds, respectively. It was also these two countries which had had the largest hops production declines in 1961-62. Of the countries for which hops acreage figures for 1961-62 and

1962-63 are available, there are only two, New Zealand and Yugoslavia, which show reductions. The largest increase (from about 23,000 to 29,500 acres) occurred in the United States, where over 6,000 acres, deactivated in 1961-62, were reactivated in 1962-63. This increase in area many times offsets a concurrent net decline in hops yield in this country, from 1,548 to 1,488 pounds per acre.

Though hops acreage also increased in the United Kingdom in 1962-63, the main reason for that country's large production increase during this year was the absence of the unfavorable growing conditions which prevailed in 1961-62. Unfavorable weather which more than offset acreage increases was the cause of the production declines in France and Austria in 1962-63. Hops

Table 17.—HOPS: World production, average 1955-59, annual 1960 to 1962 ^{1/}

Country	Average 1955-59	1960	1961 ^{2/}	1962 ^{2/}
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States	43,480	45,976	35,454	43,907
West Germany	33,960	35,824	28,428	29,983
United Kingdom	27,663	27,915	22,818	29,906
USSR	10,108	13,228	13,900	13,900
Czechoslovakia	12,491	16,094	12,900	13,200
Yugoslavia	6,332	12,434	11,596	11,905
Poland	2,827	3,600	4,300	4,400
East Germany	1,524	2,646	2,163	3,970
Japan	2,045	3,411	3,470	3,858
Australia	3,604	3,707	3,720	3,750
France	4,400	5,291	4,299	3,351
Belgium	3,015	3,425	2,414	2,535
Spain	728	883	1,250	1,510
Canada	1,375	1,163	1,145	1,490
New Zealand	1,023	830	888	900
Argentina	260	306	305	298
Austria	123	287	309	265
Republic of South Africa	209	200	159	200
Others ^{3/}	71	144	1,190	1,530
Total	155,238	177,364	150,708	170,858

1/ The figures for each indicated year represent the production in the Northern Hemisphere countries in the late months of that year and in the Southern Hemisphere countries in the early months of the next year.

2/ Subject to revision.

3/ The average for 1955-59 and the figure for 1960 pertain to Mexico, Sweden and Switzerland. The other annual figures are the respective totals for these countries and for Hungary and Rumania. Estimates are not available for a few other minor producing countries.

yield increased this year in most of the countries for which information is available.

Overproduction of hops in 1959-60 and in 1958-59 (the world crop of the latter year was only slightly below the 1959-60 record) caused general declines in hops prices which continued into 1961. These soon resulted in reductions in hops acreage and production, which ended with the 1961-62 crop. The consequent tightening of world hops supplies was clearly reflected by a decrease in carryover stocks on September 1, 1962. The United States' carryover on that date was only 19.5 million pounds, nearly 10 million pounds below its September 1, 1961, figure of 29.2 million. This world-wide drop in carryover stocks somewhat offsets the increase in 1962-63 world hops production.

By the fall of 1961, hops prices had in general strengthened considerably. In all the countries for which information is available, hops prices have also from time to time risen since then, excepting only in Poland and Spain, where the government-fixed producer prices were the same for 1962-63 as for 1961-62. By October, 1961, United States spot prices to breweries for domestic hops in carloads, f.o.b., Pacific coast had increased to between 50 and 60 cents per pound from a previous low of less than half that amount. They remained at about this level until September, 1962, when they rose 12 to 20 cents, and by the end of November, they had advanced another 12 or 13 cent per pound.

These increases caused the 1962-63 rise in world hops production, after the previous general downward trends in prices had, as noted above, caused it to decline. In all the countries for which information is available, except one, total beer production continued to increase and in all but five, total hops consumption also increased in 1961-62. In some of these countries, the consumption of hops per unit of beer produced continued to decline, in about the same number it rose, and in the rest it remained about the same during that year. The United States is one of the countries in which the use of hops per barrel of beer continued to decline in 1961-62, and its total hops consumption of that year, 29.3 million pounds, is the lowest on record (the 1960-61 figure is 29.7 million pounds).

The still existing tight world hops supply situation and the prospect of further increases in world beer production has raised total world hops import requirements. The quantities of 1962 crop hops which U. S. growers still have for sale and those which U. S. dealers have available for export have become very limited. U. S. hops imports during 1961-62 totaled only 4.2 million pounds, compared with 5.4 million pounds in 1960-61 and 5.2 million in 1959-60. In 14 of 21 other countries for which information is available, 1961-62 hops imports increased, in 6 they declined and in 1 they remained at about the same level as in the preceding year.

U. S. Exports Prospects, 1962-63

With a September 1, 1962, carryover of 19.5 million pounds, 1962 domestic production of 43.9 million pounds, and estimated imports of 5 million, U. S. total hops supply for 1962-63 is 68.4 million pounds. This quantity is slightly less than the corresponding figure for 1961-62 (68.9 million), in part because for the two years the increase of 8.5 million pounds in domestic production was more than offset by the decline of 9.7 million pounds in beginning-of-year carryover.

Assuming 1962-63 domestic hops consumption of 29.5 million pounds, this leaves 38.9 million pounds for export and end-of-year carryover. These available supplies of good quality hops and the foreign import demand referred to above are such as to indicate that 1962-63 U. S. hops exports will again be at a high level.

Table 18.—HOPS: U.S. exports by destination, average 1951-55 and 1956-60, annual 1961 and 1962 ^{1/}

Destination	1951-55 average	1956-60 average	1961	1962
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
North America	4,835,693	5,017,989	5,425,046	3,919,782
Central America. . .	252,688	244,594	223,903	205,468
Caribbean	328,801	412,761	164,393	93,676
South America	4,300,460	5,033,760	6,408,605	4,876,708
Europe	2,120,015	4,275,601	4,203,441	7,467,431
Africa.	302,938	536,743	414,389	603,199
Asia.	623,995	425,667	601,225	1,114,390
Oceania.	143,138	52,286	-----	-----
Total	12,907,728	15,999,401	17,441,002	18,280,654

^{1/} Marketing year ending August 31.

NONTARIFF RESTRICTIONS OF FOREIGN COUNTRIES AGAINST GRAIN IMPORTS FROM THE UNITED STATES

AREA AND COUNTRY	ALL GRAINS	FOOD GRAINS			FEED GRAINS				GRAIN SORGHUMS
		WHEAT FOR HUMAN FOOD	RYE	BARLEY FOR HUMAN FOOD	WHEAT FOR FEED	BARLEY FOR FEED	CORN	OATS	
Common Market ⁽¹⁾									
Other Europe									
Austria									
Denmark									
Finland									
Ireland									
Norway									
Spain									
Sweden									
Switzerland									
United Kingdom									
The Americas									
Brazil									
Canada									
Colombia									
Mexico									
Peru									
Venezuela									
Other Countries									
India									
Japan									
Lebanon									
New Zealand									
Pakistan									
South Africa									

⁽¹⁾ No restrictions
⁽²⁾ Control of foreign exchange
⁽³⁾ Licensing
⁽⁴⁾ Mixing regulations
⁽⁵⁾ Quotas

⁽¹⁾ Variable import levies or equalization fees
⁽²⁾ Advance deposit requirements, various taxes
⁽³⁾ Tie-in purchases of domestic grains by importers (required if imports jeopardize sale of domestic grain at equitable prices)

⁽¹⁾ State trading
⁽²⁾ Embargo
⁽³⁾ Belgium-Luxembourg, Netherlands, West Germany, France, and Italy
⁽⁴⁾ The licenses are sold to importers at public auction

⁽³⁾ Government importation is not continuous.
⁽⁴⁾ Importing by both government and private traders is also subject to compensatory exchange requirements, i.e., required exportation of commodities in fixed proportion to planned imports.
⁽⁵⁾ Part of corn imports done by private traders and subject to licensing and quotas.

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